III. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS – CONTINUED

BUSINESS-TYPE ACTIVITIES

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM BONDED DEBT

Annual amortization requirements for the Water Fund long-term 2018 certificates of obligation outstanding as of September 30, 2024, including interest payments are as follows:

Year ending September 30,	Principal	Interest	Total
2025	31,000	42,977	73,977
2026	32,000	42,093	74,093
2027	33,000	41,181	74,181
2028	33,000	40,240	73,240
2029	34,000	39,299	73,299
2030 - 2034	185,000	181,378	366,378
2035 - 2039	214,000	153,402	367,402
2040 - 2044	245,000	121,176	366,176
2045 - 2049	281,000	84,217	365,217
2050 - 2054	321,000	41,954	362,954
2055 - 2056	98,026	3,595	101,621
Total	$ 1,507,026	$ 791,512	$ 2,298,538

CAPITAL LEASE PAYMENTS FOR GOVERNMENT ACTIVITIES

Minimum future lease payments for all capital lease payments including interest are as follows:

Year ending September 30,	Governmental Activities Principal	Interest	Total
2025	162,356	34,539	196,895
2026	153,677	27,090	180,767
2027	120,615	19,984	140,599
2028	104,989	14,100	119,089
2029	74,320	8,532	82,852
2030	63,973	5,100	69,073
Total	$ 679,930	$ 109,345	$ 789,275

CAPITAL LEASE PAYMENTS FOR ENTERPRISE ACTIVITIES

Minimum future lease payments for all capital lease payments including interest are as follows:

Year ending September 30,	Enterprise Activities Principal	Interest	Total
2025	141,398	31,675	173,073
2026	146,550	26,523	173,073
2027	110,540	21,169	131,709
2028	102,968	16,994	119,962
2029	106,928	13,033	119,962
2030 - 2033	226,314	18,758	245,071
Total	$ 834,698	$ 128,152	$ 962,850

IV. INTERFUND RECEIVABLES AND PAYABLES

The following is a list of interfund receivables and payables:

	Receivable	Payable
Garbage Fund	$ 1,230	$
Water Fund	1,403	
Debt Service Fund		1,403
General Fund		1,230
Totals	$ 2,633	$ 2,633

V. RISK MANAGEMENT

The City incurs risk in the areas of property and liability, errors and omissions, and law enforcement liability. The risk of loss for each of these areas is transferred to commercial carriers. A public entity risk pool is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The City participates in the Texas Municipal League Risk Pool, a risk-sharing pool, for workers compensation, wherein member cities pool risks and share in the costs of any losses.

Claims against the City are expected to be paid by that public entity risk pool. Should the pool become insolvent, or otherwise unable to pay claims, the City may have to pay the claims. There were no significant reductions in insurance coverage or insurance settlements exceeding insurance coverage during each of the past three years.

VI. DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City of San Saba participates as one of over 860 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

VI. DEFINED BENEFIT PENSION PLANS – CONTINUED

C. Contributions

The contribution rates for employees in TMRS are either 3%, 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of San Saba were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates (including SDBF contributions) for the City of San Saba were 8.82% and 8.68% in calendar years 2022 and 2021, respectively. The City's employer contributions to TMRS for the years ended September 30, 2022, and 2021, were $198,871 and $183,025, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured on December 31, 2021, and 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of those dates. Exhibit E-2 and E-3 present the City's Pension Liability and Other Ratios, as well as the Schedule of City Contributions for these valuation dates.

Actuarial Assumptions:

The Total Pension Liabilities in the December 31, 2020, and 2019, actuarial valuations were determined using the following actuarial methods and assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines (if any)
Investment Rate of Return	6.75% net of pension plan investment expenses, including inflation

Salary increases are assumed to occur once a year, on January 1, thus, the pay used for the period year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. Salaries are assumed to increase by the following graduated service-based scale.

Years of service	Rate (%)
1	11.50%
2	7.25%
3	6.75%
4	6.25%
5	6.00%
6	5.75%
7	5.50%
8	5.25%
9	5.00%
10	4.75%
11-12	4.50%
13-15	4.25%
16-20	4.00%
21-24	3.75%
25+	3.50%

Actuarial assumptions used in the December 31, 2021, and 2020 valuations were based on the results of actuarial experience studies. The experience study for TMRS was for the period December 31, 2014, through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation.

VI. DEFINED BENEFIT PENSION PLANS – CONTINUED

D. Net Pension Liability– Continued

Salary increases are assumed to occur once a year, on January 1, thus, the pay used for the period year following the valuation date is equal to the reported pay for the prior year, increased by the salary increase assumption. Salaries are assumed to increase by the following graduated service-based scale.

Years of service	Rate (%)
1	11.85%
2	7.60%
3	7.10%
4	6.60%
5	6.35%
6	6.10%
7	5.85%
8	5.60%
9	5.35%
10	5.10%
11-12	4.85%
13-15	4.60%
16-20	4.35%
21-24	4.10%
25+	3.60%

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation.

For calculating the actuarial liability and the retirement contribution rates for service retirees, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For calculating the actuarial liability and the retirement contribution rates for disabled annuitants, the mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3% floor. For calculating the actuarial liability and the retirement contribution rates for preretirement mortality, the PUB(10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. The actuarial cost method being used is known as the Entry Age Normal Actuarial Cost Method. This method develops the annual cost of the plan in two parts; that attributable to benefits accruing in the current year, known as normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member.

The measurement date used for the total pension liability is December 31, 2023, thus adjustments are included in the financial statements to account for the difference in the measurement date and the City's fiscal year-end date of September 30, 2024.

D. Net Pension Liability - Continued

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2023. The single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the City's fiduciary net position and future contributions were sufficient to finance the future benefit payment of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals (i.e., the employer normal cost).

Sensitivity of the net pension liability to changes in the discount rate

Exhibit E-2 presents the net pension liability of the City. The following presents the net pension liability calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Net Pension liability / (asset)	$ 1,955,949	$ 764,188	$ (215,765)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

VI. DEFINED BENEFIT PENSION PLANS – CONTINUED

D. Net Pension Liability - Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions.

For the years ended December 31, 2023, and 2022, the City recognized pension expense of $203,008 and $347,122, calculated as follows:

2023 SCHEDULE OF PENSION EXPENSE

$ 300,244	Total service cost
568,600	Interest on the total pension liability
(146,699)	Employee contributions (reduction of expense)
(476,920)	Projected earnings on plan investments (reduction of expense)
5,202	Administrative expenses
36	Other changes in fiduciary net position
(63,560)	Recognition of current year outflows (inflows) of resources – Liabilities
(68,190)	Recognition of current year outflows (inflows) of resources – Assets
60,171	Amortization of prior year outflows (inflows) of resources – Liabilities
24,124	Amortization of prior year outflows (inflows) of resources – Assets
$ 203,008	Total pension expense (income)

2022 SCHEDULE OF PENSION EXPENSE

$ 285,008	Total service cost
524,738	Interest on the total pension liability
(139,824)	Employee contributions (reduction of expense)
(512,187)	Projected earnings on plan investments (reduction of expense)
4,793	Administrative expenses
(5,720)	Other changes in fiduciary net position
26,027	Recognition of current year outflows (inflows) of resources – Liabilities
213,211	Recognition of current year outflows (inflows) of resources – Assets
29,761	Amortization of prior year outflows (inflows) of resources – Liabilities
(78,685)	Amortization of prior year outflows (inflows) of resources – Assets
$ 347,122	Total pension expense (income)

On September 30, 2024, the City schedule of (inflows)/outflows of resources related to pension expense in current and future years is as follows:

Deferred Inflows/Outflows of Resources	*Recognition Period (or Amort. Yrs)*	*Total (Inflow) or Outflow of Resources*	*Recognized 2023 Current Pension Expense*	*Deferred (Inflow)/Outflow in future expense*
Due to Liabilities:				
Difference in expected and actual economic experience	4.39	$ (208,679)	$ (47,536)	$ (161,143)
Changes in actuarial assumptions [actuarial (gains) or losses]	4.39	(70,344)	(16,024)	(54,320)
			$ (63,560)	$ (215,463)
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.00	$ (340,949)	$ (68,190)	$ (272,759)
Contributions paid to TMRS subsequent to measurement date		311,272	-	311,272
TOTAL			$ (131,750)	$ (176,950)

VI. DEFINED BENEFIT PENSION PLANS – CONTINUED

D. Net Pension Liability - Continued

On September 30, 2023, the City schedule of (inflows)/outflows of resources related to pension expense in current and future years is as follows:

Deferred Inflows/Outflows of Resources	*Recognition Period (or Amort. Yrs)*	*Total (Inflow) or Outflow of Resources*	*Recognized 2022 Current Pension Expense*	*Deferred (Inflow)/Outflow in future expense*
Due to Liabilities:				
Difference in expected and actual economic experience [actuarial (gains) or losses]	4.76	$ 123,887	$ 26,027	$ 97,860
Changes in actuarial assumptions [actuarial (gains) or losses]	4.76	-	-	-
			$ 26,027	$ 97,860
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.00	$ 1,066,054	$ 213,211	$ 852,843
Contributions paid to TMRS subsequent to measurement date		275,482	-	275,482
TOTAL			$ 213,211	$ 1,226,185

The $(176,950) for 2023 and $1,226,185 for 2022 reported as deferred (inflows)/outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as an increase/(decrease) in the net pension liability for the years ending September 30, 2024, and 2023.

Net deferred outflows(inflows) of resources, by year, to be recognized in future pension expense as follows:

Year ended December 31:	
2024	64,710
2025	59,881
2026	101,239
2027	(92,972)
2028	-
Thereafter	-
Total	$ 132,858

VII. SUPPLEMENTAL DEATH BENEFITS FUND

A. Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "*other postemployment benefit,*" *or OPEB.*

VII. SUPPLEMENTAL DEATH BENEFITS FUND

A. Plan Description – Continued

The actuarial assumptions including general inflation rates, discount rates, and salary increase scales are the same as what is noted at Note VI above for the TMRS Defined Benefit Plan. These were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

City of San Saba offers supplemental death benefits to:	*Plan year 2023*	*Plan year 2022*
Active employees (yes or no)	*Yes*	*Yes*
Retirees (yes or no)	*Yes*	*Yes*

B. Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employee's entire careers.

Schedule of Contribution Rates:
(RETIREE-only portion of the rate)

Plan/ Calendar Year	***Retiree Portion of SDBF Contribution (Rate)***	***TOTAL SDBF Employer Contribution Rate***
2024	*0.18%*	*0.50%*
2023	*0.17%*	*0.46%*
2022	*0.16%*	*0.33%*
2021	*0.18%*	*0.35%*
2020	*0.07%*	*0.29%*

C. OPEB Liability and Sensitivity of the OPEB liability to changes in the discount rate

Exhibit E-5 presents the activity for the OPEB liability of the City related to SDBF. The following presents the OPEB liability calculated using the discount rate of 3.77%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.77%) or one percentage point higher (4.77%) than the current rate:

	1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
Total OPEB liability	$ 166,033	$ 140,534	$ 120,251

The City's contributions to the TMRS SDBF for the year ended 2024 and 2023 were $7,126 and $6,553 respectively, which equaled the required contributions each year.

Due to the adoption of GASB 75 in the current period, a prior period adjustment was made to the governmental activities net position of $137,559 as of September 30, 2024, which consists of the OPEB liability of $140,534 less deferred outflows of $2,975.

VII. SUPPLEMENTAL DEATH BENEFITS FUND – CONTINUED

D. OPEB Expense and Deferred (Inflows)/Outflows of Resources Related to OPEB

2023 OPEB EXPENSE

Service cost	$ 7,335
Interest on total OPEB liability	5,540
Changes in benefit terms including TMRS plan participation	-
Employer administrative costs	-
Recognition of deferred outflows/(inflows) of resources:	
Differences between expected and actual experience	(6,916)
Changes in assumptions and inputs	(1,269)
Total OPEB Expense	$ 4,690

2022 OPEB EXPENSE

Service cost	$ 12,351
Interest on total OPEB liability	3,553
Changes in benefit terms including TMRS plan participation	-
Employer administrative costs	-
Recognition of deferred outflows/(inflows) of resources:	
Differences between expected and actual experience	(5,037)
Changes in assumptions and inputs	(1,626)
Total OPEB Expense	$ 9,241

Deferred (Inflows)/Outflows of Resources:

	Deferred (Inflows) of Resources	*Deferred Outflows of Resources*
Differences between expected and actual experience	$ (18,335)	$ 0
Changes in assumptions and inputs	(22,000)	0
Contributions made after the measurement date	N/A	5,765
Total	$ (40,335)	$ 5,765

On September 30, 2024, the City schedule of (inflows)/outflows of resources related to OPEB expense in current and future years is as follows:

Due to Liabilities:	*Recognition Period (or Amort. Yrs)*	*Total (Inflow) or Outflow of Resources*	*Recognized 2023 Current OPEB Expense*	*Deferred (Inflow)/Outflow in future expense*
Difference in expected and actual economic experience [actuarial (gains) or losses]	5.60	$ (10,522)	$ (1,879)	$ (8,643)
Changes in assumptions [actuarial (gains) or losses]	5.60	7,126	1,273	5,853
Contributions made subsequent to measurement date	-	5,765	-	5,765
TOTAL			$	$ 2,975

VII. SUPPLEMENTAL DEATH BENEFITS FUND – CONTINUED

A. OPEB Expense and Deferred (Inflows)/Outflows of Resources Related to OPEB

Due to Liabilities:	*Recognition Period (or Amort. Yrs)*	*Total (Inflow) or Outflow of Resources*	*Recognized 2022 Current OPEB Expense*	*Deferred (Inflow)/Outflow in future expense*
Difference in expected and actual economic experience [actuarial (gains) or losses]	5.88	$ (3,701)	$ (630)	$ (3,071)
Changes in assumptions [actuarial (gains) or losses]	5.88	(62,051)	(10,553)	(51,498)
Contributions made subsequent to measurement date	-	4,805	-	4,805
TOTAL			$	$ (49,764)

The $2,975 and $(49,764) reported for 2024 and 2023 as deferred (inflows)/outflows of resources related to OPEB resulting from contributions after the measurement date will be recognized as an increase in the OPEB liability for the years ending September 30, 2024, and 2023.

Net deferred outflows(inflows) of resources, by year, to be recognized in future OPEB expense as follows:

Year ended December 31:	
2024	(7,794)
2025	(10,040)
2026	(11,692)
2027	(10,443)
2028	(366)
Thereafter	-
Total	$ (40,335)

VIII. CAFETERIA PLAN

The City of San Saba established for their employees a Premium Only Cafeteria Plan. This is in accordance with Section 125 of the Internal Revenue Code of 1986. The plan offers certain non-taxable insurance and medical benefits.

All full-time employees who work a minimum of 30 hours per week and have reached the minimum age of eighteen are eligible to participate in the plan beginning with the first day of the month following employment. Participation in the plan ends with termination of employment with the City. Plan provisions require the City to contribute an amount equal to the amount of the salary reduction elected by the participant toward the cost of benefits that are provided under the plan.

IX. DEFINED BENEFIT PENSION PLAN - EMERGENCY SERVICES PERSONNEL

A. Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at www.tesrs.texas.gov.

IX. DEFINED BENEFIT PENSION PLAN - EMERGENCY SERVICES PERSONNEL – CONTINUED

A. Benefits Provided – Continued

Of the nine-member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. On August 31, 2023, there were 240 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

On August 31, 2023, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	4,122
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,806
Active Participants (Vested and Non-vested)	3,394

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), recodified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service more than 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount and continuing monthly payments to a member's surviving spouse and dependent children.

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is $36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities. The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions for the state are not enough with the Part One contribution to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2022, actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

IX. DEFINED BENEFIT PENSION PLAN - EMERGENCY SERVICES PERSONNEL – CONTINUED

A. Benefits Provided – Continued

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

B. Contributions

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2024, total contributions of $4,172,237 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated $1,292,763 for the fiscal year ending August 31, 2023.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1). The most recently completed biennial actuarial valuation as of August 31, 2024, stated that the TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state.

The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately $825,000 each year to pay for part of the System's administrative expenses.

C. Net Pension Liability

The City's share of the net pension liability as it relates to the TSERS was measured as of August 31, 2024, and the total pension liability used to calculate the City's share of the Net Pension Liability was determined by an actuarial valuation as of August 31, 2024.

Actuarial Assumptions:

The total pension liability in the August 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Investment rate of return	7.25% per year, net of investment expenses, including inflation
Salary increases	N/A

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage (currently 4.5%) and by adding expected inflation (2.75%). In addition, the final 7.25% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized as follows:

IX. DEFINED BENEFIT PENSION PLAN - EMERGENCY SERVICES PERSONNEL – CONTINUED

C. Net Pension Liability – Continued

Asset Class	*Target Allocation*	*Long-term Expected Net Real Rate of Return*
Equities		
Large cap growth domestic	10%	5.65%
Large cap value domestic	10	5.76
Small/mid cap growth domestic	5	6.06
Mid cap blend domestic	5	5.90
Developed growth international	15	6.19
Emerging markets international	5	7.36
Global infrastructure	5	6.63
Real estate	10	4.50
Multi asset income	5	3.75
Fixed Income	30	1.97
Total	100%	
Weighted average		4.60%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the TSERS System, calculated using the discount rate of 7.50%, in comparison to what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
System' s net pension liability	$ 67,905,128	$ 43,287,107	$23,351,095

Pension Plan Fiduciary Net Position

For the year ended August 31, 2024, and 2023, the TSERS pension expense related to the San Saba Emergency Services personnel was $14,221 and $13,814 (of which the City shares 50/50 with San Saba County), and the net pension liability was $57,953 and $56,706. [See Exhibit E-4 for additional information.]

X. SAN SABA ECONOMIC DEVELOPMENT CORPORATION

The San Saba Economic Development Corporation (EDC) is reported as a component unit of the City due to the control which the City has over it. The EDC has been involved in the following matters which should be disclosed in this report:

A. Upon approval by the City Council on January 19, 2009, the EDC obtained financing from the Texas Leverage Fund in the amount of $350,000 at the Wall Street Journal floating prime rate to expand the local airport runway, fund an economic feasibility study, and to provide for downtown infrastructure, parking, lighting and signage, and restroom facilities. Monthly installments were paid on the note in fiscal year 2023 in the total amount of $18,336, of which $17,966 was applied to the principal balance, with the remaining $370 applied to interest. The note balance was fully paid off as of September 30, 2024.

X. SAN SABA ECONOMIC DEVELOPMENT CORPORATION – CONTINUED

B. On May 10, 2023, the EDC signed a security note agreement with Government Capital Corp. in the amount of $177,983 for the purchase of Splashpad Equipment. The note requires annual payments of $23,688.50, includes a stated interest rate of 5.567%, and has scheduled payments through May 10, 2033. Principal paid on the note in fiscal year 2024 was $13,780, and interest paid was $9,908. The remaining outstanding balance as of September 30, 2024, was $164,202.

XI. GARBAGE TRANSFER SITE

The City's garbage collection process involves daily collection of garbage, then transfer to a larger trailer for transportation to a dump site operated by the City of Brownwood. State and federal environmental laws and accounting rules require that a determination be made of the life expectancy of that transfer site and an estimated cost to clean the site up in an environmentally sensitive manner. The City's engineer determined an estimated life of 30 years and a cost of $24,975. That cost, as adjusted for additional estimated costs and inflation, and amortized over a 30-year life expectancy, is $47,387.

XII. LITIGATION

There are no lawsuits currently pending against the City.

XIII. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2024, the City purchased merchandise from Harry's Department Store, of which Mayor Ken Jordan is part owner. Payments made to Harry's for the year ended September 30, 2024, totaled $10,858.07. No outstanding payables existed as of September 30, 2024.

The City also purchased products at Alamo Pecan & Coffee Co., of which Robert Whitten, Alderman, is an owner. Payments made to Alamo Pecan & Coffee Co. for the twelve months ended September 30, 2024, totaled $831.52. No outstanding payables existed as of September 30, 2024.

The City also purchased products and services at Nelson Autoworks, of which Michael Nelson, Alderman, is an owner. Payments made to Nelson Autoworks for the year ended September 30, 2024, totaled $1,980.00. No outstanding payables existed as of September 30, 2024.

XIV. RECENT PRONOUNCEMENTS

In June 2017, the GASB approved a new pronouncement Statement No. 87, *Leases*, which improved accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Right-to-use assets and lease receivables are immaterial as of September 30, 2024, for the City.

In March 2018, the GASB approved Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improves the information disclosed in the notes and clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related

XIV. RECENT PRONOUNCEMENTS – CONTINUED

consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

In June 2022, the GASB issued GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)* noting that (SBITAs) have become prevalent in the government environment as governments continue to migrate away from traditional information technology (IT) arrangements based on a purchasing and perpetual licensing model. A SBITA conveys control of the right to use a SBITA vendor's IT assets, and the arrangement commonly includes provisions such as remote access to software applications or cloud data storage. A SBITA allows temporary use that ends when the subscription expires. SBITAs as defined for the City are not material to the financial statements as a whole at the current time, however this will continue to be monitored annually and updated for the City as necessary.

XV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
City of San Saba, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Saba, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of San Saba, Texas' (the "City") basic financial statements, and have issued our report thereon dated December 24, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of San Saba, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of San Saba, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City, in a separate letter dated December 24, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Saba, Texas
December 24, 2024

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN SABA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance With Final Budget Under or (Over)
	Original	Final		
REVENUES:				
Taxes:				
Property taxes	$ 768,233	$ 792,022	$ 792,022	$ -
General sales and use taxes	710,000	735,582	735,582	-
Other taxes and franchise fees	108,800	105,132	105,132	-
Licenses and permits	6,850	10,810	10,810	-
Charges for services	465,600	492,672	492,672	-
Fines	81,400	96,581	96,581	-
Investment income	109,250	189,232	189,232	-
Rents and royalties	68,129	65,992	65,992	-
Grant income	500,000	120,666	120,666	-
Other revenues	317,774	344,073	140,599	203,474
Total Revenues	3,136,036	2,952,762	2,749,288	203,474
EXPENDITURES:				
Current:				
General government	2,380,578	1,969,797	1,946,787	23,010
Public safety	1,029,872	1,058,057	1,048,903	9,154
Streets	544,506	385,218	368,131	17,087
Parks and recreation	1,256,833	1,269,684	1,247,811	21,873
Public health	50,800	30,039	30,037	2
Debt service:				
Principal	292,485	334,383	262,642	71,741
Interest	85,529	81,703	46,138	35,565
Capital Outlay:				
Purchases of capital assets	217,833	209,658	71,359	138,299
Total Expenditures	5,858,436	5,338,539	5,021,808	316,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,722,400)	(2,385,777)	(2,272,520)	(113,257)
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,575)	(4,575)	(94,755)	90,180
Transfers in	2,726,975	2,390,352	2,806,641	(416,289)
Total Other Financing Sources and (Uses)	2,722,400	2,385,777	2,711,886	(326,109)
NET CHANGES IN FUND BALANCES	-	-	439,366	(439,366)
Fund Balance - October 1 (Beginning)	-	-	534,391	(534,391)
Fund Balance - September 30 (Ending)	$ -	$ -	$ 973,757	$ (973,757)

CITY OF SAN SABA, TEXAS
RECONCILIATION OF FUND BALANCE ON BUDGETARY BASIS
TO FUND BALANCE ON A GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total Fund Balances - Budgetary Basis	$ 973,757
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $7,408,855 and the accumulated depreciation was $5,613,838. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning bances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	918,735
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2024 capital outlays, asset dispositions and debt payments is to increase net position.	334,001
The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(368,127)
Included in noncurrent liabilities is the recognition of the City's share of the net pension liability required by GASB 68 in the amount of $475,848. Also included in the statement of net position, are deferred inflows in the amount of $110,184, which increased compared to the prior year balance of deferred outflows. Additionally, changes in pension expense have been included, which results in a current year decrease in net position.	(477,353)
Included in noncurrent liabilities is the recognition of the City's share of the OPEB liability required by GASB 75 in the amount of $140,534. Also included in the statement of net position, are deferred outflows in the amount of $2,975, which is the first year this has been recognized in the finanical statements. Additionally, changes in OPEB liabilities have been included, which results in a current year decrease in net position.	(137,559)
Various other reclassifications and eliminations are necessary to convert from the modified accural basis of accounting to the the accrual basis of accounting. These include eliminating interfund transactions, reclassifying the capitalization of construction in progress, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(279,393)
Total Fund Balances - GAAP Basis	$ 964,061

CITY OF SAN SABA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 20XX

January 1 through December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$ 300,244	$ 285,008	$ 270,290	$ 239,973	$ 223,211	$ 211,388	$ 213,172	$ 206,648	$ 197,466
Interest (on the Total Pension Liability)	568,600	524,738	476,889	449,230	430,999	409,046	394,571	382,901	379,784
Diff between expected and actual experience	(208,679)	123,887	244,438	(2,734)	(106,527)	2,639	(56,608)	(93,312)	(85,495)
Changes of assumptions	(70,344)	-	-	-	15,769	-	-	-	9,364
Benefit pymts, incl refunds of EE contr	(281,027)	(301,845)	(278,352)	(305,381)	(298,128)	(309,375)	(362,219)	(291,002)	(226,167)
Net Change in Total Pension Liability	308,794	631,788	713,265	381,088	265,324	313,698	188,916	205,235	274,952
Total Pension Liability - Beginning	8,414,100	7,782,312	7,069,047	6,687,959	6,422,635	6,108,937	5,920,021	5,714,786	5,439,834
Total Pension Liability - Ending (a)	$ 8,722,894	$ 8,414,100	$ 7,782,312	$ 7,069,047	$ 6,687,959	$ 6,422,635	$ 6,108,937	$5,920,021	$5,714,786
Plan Fiduciary Net Position									
Contributions - Employer	$ 214,914	$ 192,491	$ 183,025	$ 166,681	$ 154,060	$ 146,145	$ 151,707	$ 138,395	$ 140,760
Contributions - Employee	146,699	139,824	132,279	118,213	111,235	104,389	106,586	103,152	104,204
Net investment income	817,869	(553,867)	871,206	473,152	839,724	(169,658)	702,668	324,312	7,049
Benefit pymts, incl refunds of EE contr	(281,027)	(301,845)	(278,352)	(305,381)	(298,128)	(309,375)	(362,219)	(291,002)	(226,167)
Administrative expense	(5,202)	(4,793)	(4,032)	(3,062)	(4,745)	(3,279)	(3,641)	(3,662)	(4,293)
Other	(36)	5,720	28	(118)	(143)	(172)	(185)	(197)	(212)
Net Change in Plan Fiduciary Net Position	893,217	(522,470)	904,154	449,485	802,003	(231,950)	594,916	270,998	21,341
Plan Fiduciary Net Position - Beginning	7,065,488	7,587,959	6,683,805	6,234,320	5,432,317	5,664,267	5,069,351	4,798,353	4,777,013
Plan Fiduciary Net Position - Ending (b)	$ 7,958,705	$ 7,065,489	$ 7,587,959	$ 6,683,805	$ 6,234,320	$ 5,432,317	$ 5,664,267	$5,069,351	$4,798,354
Net Pension Liability - Ending (a) - (b)	$ 764,189	$ 1,348,611	$ 194,353	$ 385,242	$ 453,639	$ 990,318	$ 444,670	$ 850,670	$ 916,432
Plan Fidiciary Net Position as a Percentage of Total Pension Liability	91.24%	83.97%	97.50%	94.55%	93.22%	84.58%	92.72%	85.63%	83.96%
Covered employee payroll	$ 2,444,987	$ 2,330,400	$ 2,204,650	$ 1,970,220	$ 1,853,912	$ 1,739,818	$ 1,776,431	$1,719,202	$1,736,725
Net Pension Liability as a Percentage of Covered Employee Payroll	31.26%	57.87%	8.82%	19.55%	24.47%	56.92%	25.03%	49.48%	52.77%

Notes to Schedule:

1. GASB 68 requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date, for example: for the above period ending December 31, 2023 - the period from January 1, 2023 to December 31, 2023. This is how the data is presented for each year presented above.

CITY OF SAN SABA, TEXAS
SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR FISCAL YEAR 20XX

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 146,699	$ 139,824	$ 132,279	$ 118,213	$ 111,235	$ 104,389	$ 106,586	$ 103,152	$ 104,204
Contributions in relation to the actuarially determined contribution	146,699	139,824	132,279	118,213	111,235	104,389	106,586	103,152	104,204
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered employee payroll	$2,444,987	$2,330,400	$2,204,650	$1,970,220	$1,853,912	$1,739,818	$1,776,431	$1,719,202	$1,736,725
Contributions as a percentage of covered employee payroll	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experienced-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement; 2019 Municipal Retirees of Texas Mortality Table. Male rates are multiplied by 103% and femaile rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021. (with immediate convergance). Pre-retirement; PUB(10) mortality tables, with the 1100% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recen basis by the most recent Scale MP-2021 (with immediate convergance).

Other Information

Notes	There were no benefit changes during the year.

CITY OF SAN SABA, TEXAS
SCHEDULE OF PENSION AMOUNTS AND DEFERRED OUTFLOWS OF RESOURCES
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM
AS OF AND FOR THE YEAR ENDED AUGUST 31, 20XX

TESRS' allocation of pension expense as of TESRS' fiscal year end is shown in the following table:

	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	$ 2,125	$ 2,288	$ 2,303	$ 2,761	$ 2,668	$ 3,330	$ 2,852	$ 2,948
Interest (on the Total Pension Liability)	15,988	16,897	16,459	16,279	15,090	20,700	16,948	15,489
Projected earnings on pension plan investments	(11,966)	(15,762)	(13,691)	(13,020)	(12,683)	(16,867)	(13,137)	(12,000)
Amortization of differences between projected and actual earnings on plan investments	5,754	4,853	(4,261)	176	4,121	400	1,504	2,310
Amortization of changes of assumptions	(161)	(202)	(39)	(39)	116	564	483	469
Amort of differences between expected and actual experience	1,218	744	(1,150)	(1,182)	(32)	(18)	35	34
Pension plan administrative expense	459	355	397	474	324	331	330	290
Changes in benefit provisions	-	3,571	-	4,424	-	5,905	-	1,256
Pension exp related to San Saba Emerg Services Personnel	13,418	12,744	18	9,873	9,605	14,344	9,015	10,796

Amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Fiscal year ended August 31,	Net Deferred Outflows Minus Deferred Inflows
2024	4,448
2025	4,619
2026	8,038
2027	580
Total	$ 17,684

Actuarial Methods and Assumptions Used to Determine Pension amounts:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 years
Asset Valuation Method	Market value smoothed by a 5-year deferred recognition method with a 80% /120% corridor on market value
Inflation	3.0%
Salary Increases	N/A
Investment Rate of Return	7.5%, net of investment expenses, including inflation
Cost of living adjustments	None
Mortality rates	Based on PubS-2010 (public safety) below-median income mortality table for retirees projected for mortality improvement generationally using projection scale MP-2019

CITY OF SAN SABA, TEXAS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - GASB 75 REPORTING
SUPPLEMENTAL DEATH BENEFITS FUND

	Year Ended December 31,						
Actuarial Valuation and Measurement Date	2023	2022	2021	2020	2019	2018	2017
Membership [1]							
Number of							
- Inactive employees currently receiving benefits	20	20	20	20	20	21	20
- Inactive employees entitle to but no yet receiving benefits	7	6	5	5	5	4	3
- Active employees	46	47	47	46	43	45	46
TOTAL	73	73	72	71	68	70	69
Covered Payroll	$2,444,987	$2,330,400	$2,204,650	$1,970,220	$1,853,912	$1,739,818	$1,776,431
Changes in the Total OPEB Liability							
Total OPEB Liability - beginning of year	$ 135,211	$ 188,788	$ 175,839	$ 152,256	$ 127,279	$ 127,627	$ 107,988
Changes for the year:							
Service Cost	7,335	12,351	12,567	9,260	6,118	6,437	5,862
Interest on Total OPEB Liability	5,540	3,553	3,603	4,295	4,815	4,317	4,193
Differences between expected and actual experience	(10,522)	(3,701)	(4,861)	(11,191)	(8,327)	(1,489)	-
Changes in assumptions or other inputs	7,126	(62,051)	5,608	22,598	23,483	(8,743)	9,584
Benefit payments[2]	(4,156)	(3,729)	(3,968)	(1,379)	(1,112)	(870)	-
Net changes	5,323	(53,577)	12,949	23,583	24,977	(348)	19,639
Total OPEB Liability - end of year	$ 140,534	$ 135,211	$ 188,788	$ 175,839	$ 152,256	$ 127,279	$ 127,627
Total OPEB Liability as a Percentage of Covered Payroll	5.75%	5.80%	8.56%	8.92%	8.21%	7.32%	7.18%

Notes to Schedule:

1. Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (ie - excludes beneficiaries, non-vested terminations due a refund, etc.)
2. Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefits payments are treated as being equal to employer's yearly contributions for retirees.

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	3.77%
Retiree's share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Stmt No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergance).
Mortality rates -disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergance) to account for future mortality improvements subject to floor.